



EXHIBIT 3
DATE 1-17-07
HB 156

January 17, 2006

TO: Representative Mendenhall and Members of the House Business and Labor Committee

FROM: Robert Speirer, Volunteer Advocate, AARP Montana

RE: Support of HB 156, Revise long-term care insurance laws

Mr. Chairman and members of the committee for the record my name is Robert Speirer, volunteer advocate for AARP Montana. AARP is a non-profit, non-partisan organization with 153,000 members in Montana.

We support HB 156 because it puts into place needed consumer protections for long-term care insurance policyholders. I truly believe long-term care insurance can be a necessary tool to help people live independently as they age. I recently purchased a long-term care policy and would like to see measures that encourage others to be covered as well.

We understand private, long-term care insurance is still not affordable for everyone. However, from studies we have seen at AARP, about half of long-term care insurance claimants indicated that without private insurance to pay for services in the community, they would have needed to seek institutional care. Long-term care insurance is improving and now covers home health care, respite care, adult day services, assisted living, personal care and hospice care. And many go even farther.

AARP supports the consumer protection provisions found in the National Association of Insurance Commissioners 2000 amendments that are in this bill. Most important are the non-forfeiture benefits, which allow policyholders to get some return on their investment when the policy may be no longer affordable. We strongly advocate that consumers receive more information about their policy allowing for better consumer decisions.

We support varied approaches to encourage people to obtain long-term care insurance if they will be forced into institutions covered by Medicaid without such policy. The step toward public-private partnerships is one of these approaches that this bill will allow Montana to explore.

Thank you for this opportunity and I urge your support of HB 156.